SECRET

The Director of Central Intelligence Washington, D.C. 20505

NIC 01177-85 5 March 1985

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

Graham E. Fuller

National Intelligence Officer for NESA

SUBJECT:

Blockades Along the Road to the Peace Process

- 1. Recent developments in the Arab-Israeli peace process indicate considerable willingness on the part of the moderate Arabs to work together to strengthen their flanks in dealing with the peace process. These moderate gains in Arab regional politics are in and of themselves gratifying: Egypt, Jordan, the PLO and even Iraq have been addressing the problem of negotiations in a fashion more positive than we have seen before.
- 2. This moderate cooperation is unlikely to extend so far as to bring about actual negotiations with Israel, however. Only one of the players--Egypt--has everything to gain and almost nothing to lose in seeing further Arab-Israeli accommodation.
- 3. Three other critical parties to the process--the PLO, Jordan and Israel---may have more to lose than to gain in embracing direct negotiations.
 - Arafat will above all value maintenance of his own leadership position and the authority of the PLO as an organization. The PLO is extremely unlikely to cede to Jordan's authority to speak on behalf of the Palestinians, nor can it allow major Palestinian figures who are not directly responsive to, and responsible to, the PLO make up the Palestinian part of the Arab team. Arafat will wish to maintain close ties with Jordan and the moderate states as a counterfoil to Syria. But he is not able to deliver even the rest of the moderate PLO if he wanted to. The PLO, furthermore, fears that Jordan seeks only the weakest possible Palestinian representation and a totally dependent Palestinian entity in the end. This is unappealing to the PLO.

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- Jordan would like to reach accommodation with Israel and regain some voice over the West bank. Husayn cannot take the risk of arrogating to himself authority for speaking for the Palestinians, however, nor will Arab politics allow him to do so. He runs serious threat of assassination from either Syria or extremist Palestinians. And he can never afford to lose the support of Arab moderates.
- Israel in principle desires peace with Jordan. An initiative with Hussein at this point, however, would be difficult for Israel to greet with enthusiasm. Such a negotiation will threaten the unity government of Israel, will force Israel to open for the first time serious debate on the future of the West Bank and the place of nearly one million Arabs living there, and will cost them politically volatile territory. Israel would prefer to delay biting the bullet—maybe indefinitely. Most Israelis can deal with the ambiguities of the West Bank and its Arabs better than they can with dubious gains of a peace settlement.
- 4. Egypt is unique in that a peace settlement would fully vindicate Egypt's long term policies towards the peace process. It would end Egypt's isolation as the sole Arab state with diplomatic relations with Israel. It would confirm Egypt's major role in formulating Arab policies and in opening the path to some settlement between Jordan, Israel and the Palestinians. It would strengthen the hand of those Egyptians who seek to work through the US on peace issues.
- 5. The sense of urgency for negotiations thus springs primarily from Egypt. (Saudi Arabia should be considered a non-factor.) But no Arab or Israeli leader can "pull a Sadat." Sadat had strong internal backing, nearly 100% of his territory to gain, and had the strength to take unilateral action. Jordan can at best regain 60% of its territory, needs PLO consent to do so, and feels ambivalent about the Palestinians anyway.
 - Grounds for serious optimism on the prospects for peace are very limited. But the new activism among the moderates, and increasing acceptance of this activism on the part of all except hardcore radical states in the Arab world, is encouraging to broaden US strategic interests.

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